UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/CN.3/1995/5
12 January 1995

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Twenty-eighth session
27 February-3 March 1995
Item 6 of the provisional agenda*

INTERNATIONAL TRADE STATISTICS

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Task Force on International Trade Statistics (Convener: General Agreement on Tariffs and Trade (GATT)), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its special session. 1/

Notes

1/ Official Records of the Economic and Social Council, 1994, Supplement No. 9 (E/1994/29), para. 1.

* E/CN.3/1995/1.

95-00988 (E) 310195 030295

Annex

REPORT OF THE TASK FORCE ON INTERNATIONAL TRADE STATISTICS

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I. BASIC INFORMATION

1. The Task Force on International Trade Statistics was established by the Statistical Commission's Working Group on International Statistical Programmes and Coordination at its fifteenth session (New York, 29 June-1 July 1992) (see E/CN.3/1993/21, para. 51) and its establishment was endorsed by the Statistical Commission at its twenty-seventh session. a/ The members of the Task Force are: Statistical Division of the United Nations Secretariat (UNSTAT), Economic Commission for Africa (ECA), Economic Commission for Europe (ECE), Economic and Social Commission for Western Asia (ESCWA), Economic and Social Commission for Asia and the Pacific (ESCAP), Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Conference on Trade and Development (UNCTAD), Food and Agriculture Organization of the United Nations (FAO), General Agreement on Tariffs and Trade (GATT), World Bank, International Monetary Fund (IMF), Inter-American Development Bank (IDB), International Trade Centre (ITC), Organisation for Economic Cooperation and Development (OECD), Statistical Office of the European Communities (Eurostat) and World Customs Organization (WCO).

II. TERMS OF REFERENCE

2. The Task Force operates according to the common terms of reference approved by the Statistical Commission for the six task forces (see E/CN.3/1993/21, para. 53; before the Commission as a background document).

III. WORK DONE SINCE THE SPECIAL SESSION OF THE STATISTICAL COMMISSION

3. The Task Force met in Luxembourg from 14 to 16 November 1994, after which it held a one-day technical forum to which national statistical representatives and other experts were invited. The technical forum focused mainly on adjustments to and estimates of trade data.

4. The major results achieved by the Task Force in the period under review are:

(a) An increased use by UNSTAT of IMF monthly data;

(b) Major improvements in the coverage of the UNSTAT commodity trade database (COMTRADE) through UNSTAT implementation of a comprehensive plan of action, including significant exchange of data among international organizations;

(c) The decision to stop work in the area of adjustments to national data in order to improve international comparability and related COMTRADE systems development. The decision was reached after reviewing the work accomplished thus far, taking into consideration the amount of resources spent and assessing the potential for further progress;

(d) Completion of a draft of the publication on national practices in external trade. Responses by countries to individual questions indicate the number of occurrences and have also been trade-weighted. In addition, compliance averages have been calculated at the total level for each question (see appendix I);

(e) Agreement on a plan of action and outline for the revision of United Nations concepts and definitions for international trade statistics (see appendix II);

(f) Agreement that it is not necessary to proceed with a revision of the Standard International Trade Classification, Revision 3 (SITC, Rev.3) in order to keep SITC, Rev.3 in line with the Harmonized Commodity Description and Coding System (HS), because the changes in SITC, Rev.3 are considered to be minor in scale (see appendix III);

(g) Agreement to an UNSTAT proposal for dealing with data based on SITC, Rev.3 and HS in COMTRADE, as follows:

(i) To convert HS 92 and HS 88 data to HS 96. Since the next revision of HS is not expected before 2000, a historical series of 12 years would exist by that time;

(ii) To convert data based on SITC, Rev.1 to SITC, Rev.2;

(iii) To cease including SITC, Rev.3 data in the database and to keep only SITC, Rev.2 data for historical series back to 1962, as well as HS 96 data starting with 1988 data for current detailed data;

(h) Contribution of expert inputs to two training workshops, one in Moscow for member countries of the Commonwealth of Independent States and the other in Lima for member countries of the Asociación Latino americana de Integración (ALADI).

5. The minutes of the meeting are before the Commission as a background document.

IV. FUTURE WORK PROGRAMME

6. The future work programme of the Task Force can be divided into two distinct categories. The first is of an ongoing nature and includes:

(a) Use by UNSTAT of IMF data;

(b) Use of Eurostat data in COMTRADE;

(c) Use by OECD of COMTRADE data;

(d) Sharing estimates as they become available;

(e) Improving the content and flow of COMTRADE data;

(f) Sharing data on price and volume indices.

7. The second category comprises projects with a more definite deadline attached to them, as follows:

(a) Review of publications (1995);

(b) Review of questionnaires (1995);

(c) Report on estimates methodology (1995);

(d) Publication of the report on national practices in external trade (1996);

(e) Revision of concepts and definitions (1997).

V. POINTS FOR DISCUSSION

8. The Statistical Commission may wish to:

(a) Concur with the decision of the Task Force on International Trade Statistics to stop work on adjustments to trade data;

(b) Endorse the plan of action and outline for the revision of United Nations concepts and definitions in international trade statistics (see appendix II);

(c) Accept the recommendations of the Task Force concerning the revision of SITC, Rev.3;

(d) Endorse the proposal of the Working Group on International Statistical Programmes and Coordination that countries (developed countries in the first instance) should analyse their practices and outline a plan of action for improving compliance with the international recommendations for international trade statistics, including the rationale for areas of non-compliance (see E/CN.3/1995/2, para. 11 (c)).

Notes

a/ See Official Records of the Economic and Social Council, 1993, Supplement No. 6 (E/1993/26), para. 27.

Appendix I

COUNTRY PRACTICES IN INTERNATIONAL TRADE STATISTICS

1. UNSTAT, in response to a request by the Working Group on International Statistical Programmes and Coordination at its seventeenth session (E/CN.3/1995/2, para. 11 (a)), carried out an analysis of country practices on a regional basis and in respect of developed and developing countries, as well as on a trade-weighted basis, and examined the extent and importance of non-compliance with United Nations recommendations for international trade statistics. The analysis, which is based on replies to a questionnaire received from 131 countries or areas, is before the Commission as a background document. UNSTAT also sent out a follow-up questionnaire, the results of which, based on 71 replies received as of November 1994, are also before the Commission as a background document. Non-respondents to the follow-up questionnaire will be contacted in January 1995.

2. The report on country practices, incorporating the results of both the original and the follow-up inquiries, will be published in the first quarter of 1996 and made available to countries. That information will be taken into account in the revision of United Nations recommendations for international trade statistics during 1995 and 1996, as requested by the Working Group (E/CN.3/1995/2, para. 11 (b)).

Appendix II

REVISION OF UNITED NATIONS CONCEPTS AND DEFINITIONS IN INTERNATIONAL TRADE STATISTICS

1. At the request of the Working Group on International Statistical Programmes and Coordination (E/CN.3/1995/2, para. 11 (d)), plans for the revision of United Nations concepts and definitions in international trade statistics and its proposed timetable are brought to the attention of the Commission, as described below.

General concepts, approach and timetable

2. The revision is intended to (a) clarify and explain more fully current concepts and definitions in international trade statistics, as necessary; (b) extend those concepts and definitions to cover new developments in international trade; and (c) harmonize them with current concepts and definitions in related areas, particularly national accounts, balance of payments and international trade in services. The range of improvements should be aimed at promoting better understanding and proper implementation by national compilers.

3. Drafting of the various chapters, with primary drafting responsibilities shared by several international organizations, has begun.

4. According to the timetable, the existing draft outline is to be sent to a large number of countries in January 1995 for comments from national experts in the areas of statistics, customs, balance of payments, national accounts and international trade in services; a first draft of the revised concepts and definitions is to be circulated to countries for comments about mid-1995; an expert group is to be convened late in 1995 (probably November) to review both draft and comments; and the text for submission to the Statistical Commission at its twenty-ninth session is to be finalized during the first half of 1996. If the draft is substantially approved by the expert group in November 1995, however, the text could be finalized as early as February 1996 or thereabouts. In that event, rather than wait until its twenty-eighth session, the Commission may wish to permit the Secretariat to circulate the text to all Commission members for comments and possible approval early in 1996.

5. The process of development and review should incorporate inputs from the regional commissions, since several of them have particular experience in this field. In the first instance, regional commissions have been included in the circulation of the draft outline and will be invited to contribute at each stage, including participation in the above-mentioned expert group meeting. After the revision of concepts and definitions is complete, consideration will be given to preparing a manual for countries for the compilation of international trade statistics, taking account of the work already done by ESCAP; the field experience of the regional commissions will be of major importance for this project.

6. An initial review indicates that if international trade statistics are to be harmonized with balance-of-payments statistics, national accounts statistics and statistics of international trade in services, changes in trade concepts and definitions may be needed. Such changes are likely to affect coverage, trade system, valuation and partner country treatment; the continuity of trade series may also be affected.

Draft outline for revised concepts and definitions in international merchandise trade statistics

A. Introduction

Why do we want statistics on international trade in merchandise; what are the standard variables and what is their function; process for deriving the concepts and definitions; relevance/role of country practices; changes in the world economy and their impact on trade statistics and recommended concepts and definitions; (globalization, technological changes, regional cooperation and integration, including free trade associations and others).

B. Harmonization with other fields of economic statistics

How is international merchandise trade defined in the new SNA and the new IMF Balance of Payments Manual in comparison to relevant current trade concepts; relationship to international trade in services and input-output analysis; scope for harmonization; incorporating of some balance-of-payments adjustments into merchandise trade data.

C. Conceptual framework for the compilation of international merchandise trade statistics

Detection of an international trade transaction

Can be achieved (a) traditionally, through Customs documents; or (b) using other detection methods, such as value-added tax (VAT) systems and surveys.

Commentary

Quality implications because of undetected trade through smuggling; confusion between goods and services; matters of coverage where VAT and surveys are used; how to supplement customs data for commodities that may not be the subject of a customs procedure/document.

Coverage

What is trade in goods as opposed to trade in services; transactions not to be counted; shuttle goods; repairs; goods for processing; postal trade; courier services; warranties; national boundaries, including continental shelf; flows to and from international waters; contracting; merchandising transactions;

reporting thresholds (exclusion of "small value" transactions); estimates for "small value" transactions; personal effects of travellers; special attention to inclusions/exclusions that are not substantially adhered to in current national practices or that make it difficult to collect information, such as ships; transactions that represent a service transaction, such as films and computer software; clarification of goods on temporary admission.

Commentary

Goods and services increasingly bundled, particularly in turnkey projects; boundary no longer sharp; effects on quality; clarification of transit and temporary storage/warehousing.

Trade systems

Inward and outward flows; clarification of the customs territory/ statistical territory; the various customs and/or enterprise survey procedures and their statistical interpretation; detailed description of general and special trade in terms of the various kinds of customs procedures identified; how to classify trade transactions into special and general; improving understanding of the two systems; connections between each (special and general) and the national accounts; the treatment of re-exports; free trade zones - entrepots and processing (inward and outward) require extended treatment and specification; clarification/standardization of terms used by customs e.g. warehouse, customs bonded warehouse, free zone, free port; provide examples of amount of processing required for converting previously imported goods into goods of national origin.

Commentary

Limitations of information on re-exports; through-flows (transit, warehousing etc.); widespread leasing; clarification of financial lease/ operational lease.

Assignment of a partner country to a transaction

Use of country codes (International Organization for Standardization (ISO), United Nations country codes for statistical use, the IMF alpha-numeric system, and other); maintenance of codes; different systems: origin, consignment, purchase, destination and sale; rules of origin.

Commentary

Different objectives sought by the different systems; ambiguity of "origin"; concepts suited for trade reconciliation (e.g., consignment) and transportation; concepts incompatible with trade reconciliation but compatible with production; particular problems, such as country assignment in the case of used capital goods, ships, bunkers and stores, and military goods in some cases; operational viability of concepts of origin and destination.

Valuation and currency conversion

GATT rules on valuation and value added; Brussels Definition of Value (BDV); rebates and discounts; special problems of barter, affiliated enterprises, non-commercial transactions, financial leasing, goods on consignment and complete industrial plants; valuation (cost, insurance and freight (cif), free on board (fob) and free alongside ship (fas)); standard table on currency conversion rates; selection and application of exchange rates; data on freight and insurance costs for fob/cif adjustment.

Commentary

Intra-enterprise (inter-affiliate) trade; difficulties in applying BDV; unique goods with no market counterpart.

Commodity classification

Primary international classification (HS) and its maintenance; derived international classifications (SITC, International Standard Industrial Classification of All Economic Activities (ISIC), Classification by Broad Economic Categories (BEC)).

Commentary

Ruling by CCC; national supplements to HS; maintenance of derived classifications; requirements for auxiliary information (input-output, special surveys).

Quantities

Complements to HS; standard units and standard supplementary/additional units; purposes; control; net and gross shipping weight; use of both; importance of quantity data for a range of uses.

Reference period

Definition of standard period; treatment of carryovers; revisions.

D. Other topics

Time of recording

Change of ownership; movement across boundaries; time of clearance through customs.

Confidentiality

Obligations and techniques to maintain information confidential; active confidentiality; passive confidentiality; principle that suppression should not be carried higher in the commodity aggregation than necessary.

What to publish

Frequency; annual; quarterly; monthly; level of detail; currentness; publications; machine-readable formats; recommendations on technical/methodological information that compilers should provide with their published data; deviations from recommendations.

Mode of transport

Uses; modes of transport in use.

Trade reconciliation

The use of trade reconciliation to improve data quality; standard techniques; problems arising from adoption of specific concepts, such as fob and cif valuation; imports by country of origin or country of purchase.

Quality indicators

There is as yet no guidance given to compilers on how they should describe the quality of their data; this section would provide a few guidelines.

Double-counting

Associated with the globalization of trade through production and assembly in different countries.

Appendix III

REVISION OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION, REVISION 3

1. The Statistical Commission, at its twenty-seventh session, requested UNSTAT to revise SITC, Rev.3 at the most detailed level in full correlation with the revised HS and to issue the revision so that it would be effective 1 January 1996, the date of introduction of the revised HS. a/ At the same session, there was a strong view that in the longer term SITC, Rev.3 should be dropped, preferably at the time of the next revision of HS b/ (i.e., the next revision after the 1996 revision). The Commission also considered that the future Central Product Classification (CPC) could be used as the classification for analytical purposes for international trade statistics, thereby replacing SITC, Rev.3; trade data based on HS could be converted into data based on CPC. c/ The Commission decided to consider the use of CPC in place of SITC, Rev.3 for analytical purposes as soon as the provisional CPC had been revised and evaluated. d/

2. In accordance with this recommendation, UNSTAT drafted a new revision of SITC, Rev.3 and circulated it to the international organizations for comments on 15 July 1994. UNSTAT also prepared a draft of the correlation table between the 1996 HS and SITC, Rev.3; the table will be finalized by the end of 1994.

3. As of 8 November 1994, three replies concerning the new draft revision of SITC, Rev.3 had been received, one of which suggested that UNSTAT reassess the value, beneficiaries and practicability of continuing a revision of SITC, Rev.3. A technical note has been prepared bearing on that recommendation (see attachment).

4. The Task Force on International Trade Statistics discussed the matter at its meeting (14-16 November 1994); its views have been expressed above. Basically, the Task Force considers that it is not necessary to proceed with a revision of SITC, Rev.3, because the changes required are minor in scale.

5. In the light of the analysis carried out since the twenty-seventh session of the Commission, which is contained in the attachment below, as well as the above-mentioned longer-term views of the Commission and the views expressed by the Task Force on International Trade Statistics, the Commission is requested to decide whether (a) the revision to SITC, Rev.3, which has been prepared, should be finalized and issued, or (b) SITC, Rev.3 should be retained unchanged and a correlation between HS96 and SITC, Rev.3 should be finalized and made available to countries and other users for the conversion of data based on HS96 to data based on SITC, Rev.3.

Notes

a/ Official Records of the Economic and Social Council, 1993, Supplement No. 6 (E/1993/26), para. 162 (f).

b/ Ibid., para. 160.

c/ Ibid., para. 161.

d/ Ibid., para. 162 (g).

Attachment to appendix III

TECHNICAL NOTE ON THE REVISION OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION, REVISION 3

Nature and scope of the revision of HS

1. On 6 July 1993, the Customs Cooperation Council (CCC) adopted a number of amendments to the current (1992) version of the Harmonized System (HS92) that had been recommended by its Harmonized System Committee (HSC), thus creating a new version of HS to be known as HS96; all the amendments will come into force on 1 January 1996. At its thirteenth session (April 1993), HSC adopted correlation tables between HS96 and HS92.

2. HSC introduced HS96 in order to ensure standard coding and facilitate external trade data collection in the areas of new commodities and previously traded goods, which have become more important because of the increased value of trade. At the same time, it was decided to delete subheadings with an insignificant value of trade. HSC also took into consideration the constraints and limitations facing national customs offices in their classification of commodities according to existing criteria. It was recognized that some criteria were not practical or conceptually justified for certain commodity groups; it was therefore decided to change them and regroup commodities covered by certain four-digit headings into new six-digit subheadings.

3. As a result, 312 new subheadings were introduced into HS, the coverage of several hundred subheadings was changed, and 254 subheadings were deleted. Most of the amendments to HS have a direct impact on SITC, Rev.3.

Nature and scope of the draft revision of SITC, Rev.3

4. The draft revision of SITC, Rev.3, which contains all the relevant amendments incorporated in HS96, is based on the following principles:

(a) Do not change the structure of the Classification at the one, two and three-digit levels;

(b) Maintain the same general degree of aggregation of HS subheadings into SITC basic headings as was the case for SITC, Rev.3;

(c) Delete, create or redefine SITC basic headings, as necessary, to reflect (i) changes in the classification criteria of the relevant HS subheadings, (ii) deletion of existing HS codes and (iii) creation of new subheadings.

5. The proposed revision of SITC, Rev.3 includes the deletion of 34 existing codes and the creation of 71 new codes. In addition, 176 additional codes would change their coverage due to changes in the coverage of HS headings (see E/CN.3/1995/5/Add.1, annex, for detailed lists of the codes involved). The new revision of SITC, Rev.3 would also reflect editorial amendments to the text of

several hundred headings that would have no effect on either their coverage or their meaning.

Correlation between HS96 and SITC, Rev.3

6. The majority of the HS96 six-digit subheadings are correlated with one basic heading of SITC, Rev.3. Due to the changes indicated above, however, 140 of the HS96 subheadings do not have such a one-to-one correlation and are correlated with several SITC, Rev.3 basic headings. Most of those subheadings are correlated with basic headings in the same three-digit SITC, Rev.3 group, but 16 are correlated with basic headings from different groups.

UNITED
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Economic and Social Council

Distr.
GENERAL

E/CN.3/1995/6
12 January 1995

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Twenty-eighth session
27 February-3 March 1995
Item 7 of the provisional agenda*

FINANCE STATISTICS

Task Force on Financial Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Task Force on Financial Statistics (Convener: International Monetary Fund), which is contained in the annex to the present report. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its special session. 1/

Notes

1/ Official Records of the Economic and Social Council, 1994, Supplement No. 9 (E/1994/29), para. 16.

* E/CN.3/1995/1.

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Annex

REPORT OF THE TASK FORCE ON FINANCE STATISTICS

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INTRODUCTION AND BACKGROUND

1. The objectives of the Task Force on Finance Statistics, as mandated by the Working Group on International Statistical Programmes and Coordination at its fifteenth session (see E/CN.3/1993/21, para. 53) and subsequently endorsed by the Statistical Commission at its twenty-seventh session a/ and by the ACC Subcommittee on Statistical Activities at its twenty-sixth session (see ACC/1993/1, paras. 4 and 17-19), are to (a) determine work being done by the organizations involved on methods, compilation, processing, dissemination, technical assistance and cooperation; (b) assess problems, duplication, weaknesses, imbalances and gaps; (c) study how to carry out an evaluation of the database maintained by international organizations; and (d) report on actions taken, proposals and unresolved issues for action by the Working Group. Those objectives were confirmed as the terms of reference for the Task Force at its first meeting in June 1993 (E/CN.3/1994/8, para. 1). Membership of the Task Force comprises the International Monetary Fund (IMF) (Convener), the Bank for International Settlements (BIS), the European Monetary Institute (EMI), the Statistical Office of the European Communities (Eurostat), the Organisation for Economic Cooperation and Development (OECD), the World Bank and the Statistical Division of the United Nations Secretariat (UNSTAT).

2. For the purposes of the Task Force, finance statistics have been defined to include balance-of-payments statistics; external debt statistics; national money and banking statistics; government finance statistics; and other finance statistics, loosely defined to include areas where problems of coordination between international organizations are likely to arise. With those definitions in mind, the Task Force has considered coordination issues in the areas of international banking; portfolio investment; direct investment; financial derivatives; official development assistance; and non-financial enterprise accounts.

3. As a first step, in December 1992 IMF sent to international organizations involved in compiling and/or publishing finance statistics a questionnaire designed to help assess the problems and opportunities for better coordination and cooperation. In August 1993, IMF wrote to ministers of finance, central bank governors and heads of national statistical offices in a number of industrial and developing countries to seek their comments on the terms of reference of the Task Force; on the role of international organizations in developing standards for finance statistics; on current arrangements for data collection and sharing; and on the findings of the questionnaire.

4. At the second meeting of the Task Force (November 1994), the agenda comprised topics carried over from the first meeting (mainly developments in monetary and financial statistics and government finance statistics), as well as topics raised in response to the above-mentioned IMF letter of August 1993, including the need to find ways of easing the burden of data reporting and the need for a central guide to the finance statistics published by international organizations. The report of the Task Force on that meeting will be available to the Commission as a background document.

I. OVERVIEW

A. Statistical methodology

5. The Task Force notes that IMF, Eurostat, BIS and the World Bank (the latter in the area of external debt statistics) have been active in transforming national data for finance statistics and have reviewed the procedures for coordinating work on the underlying methodologies; in particular, it notes IMF plans to produce international methodologies on monetary and financial statistics and government finance statistics that are consistent, to the extent possible, with the System of National Accounts 1993 (1993 SNA).

B. Data reporting and sharing

6. The Task Force has reviewed current arrangements for the reporting and sharing of finance statistics by international organizations, and notes that there appears to be a considerable and probably increasing degree of data sharing of finance statistics among international organizations, especially through the use of electronic media, which have replaced the use of report forms in the industrial and major developing countries. Moreover, the burden of reporting by national agencies may have eased as a result of electronic access to national databases, the growing practice of data sharing among international organizations and the use of joint reporting procedures.

7. Having reviewed the replies to the IMF letter of August 1993, the Task Force notes continuing concerns about the burden of reporting and has reviewed the feasibility of easing that burden by taking advantage of the benefits of electronic reporting and ensuring a greater harmonization of data requirements through the development of a matrix of data requirements. As to electronic reporting, the non-standardized electronic transmission of country data generally involves programming costs at both ends to meet the needs of international organizations and other users of standardized data; the extent of such costs has inhibited the development of electronic reporting. In the case of standardized electronic reporting, some of those costs have shifted back to the reporting countries but with the benefit of a standardized database now being available to a wider audience of users. The Task Force notes the lead taken by Eurostat in that area in its work on aggregate balance-of-payments statistics through the use of its Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT) programme, and in its plans to apply EDIFACT to the reporting of aggregate national accounts data in the near future and to other areas of statistics over the next five years. As to the role of the Task Force in that area, it has been decided that the subject should be revisited at a later stage to review developments in the EDIFACT programme and the experience of other international organizations. Partly in that connection, it has been agreed that efforts should be made to adopt uniform standards for country coding, including international organizations and country groups, and that the issue should be taken up by the ACC Subcommittee on Statistical Activities.

8. As to developing a matrix of data requirements, it is recognized that the development of a comprehensive matrix will require considerable time and effort

and that a more limited application to specific areas, as was formerly the case for tax data, is more feasible. Examples of areas where the matrix approach might be usefully applied are government expenditures and interest rates.

9. Although the Task Force has concluded that there appears to be no firm evidence of an excessive burden of reporting finance statistics to international organizations, it notes that in recent years there may have been a growth in data requests by international organizations that are not routed through their statistical units. This is true of both IMF and Eurostat and reflects problems of quality and currentness in the data collected by their statistical units, as well as the growth of ad hoc requests, usually at short notice, by other users of data in those organizations. The Task Force notes that this raises questions about statistical policy within international organizations that member countries may wish to address directly.

C. Data dissemination

10. The Task Force has reviewed issues in the area of the publication and dissemination of finance statistics, including issues raised in reply to the IMF letter of August 1993 on the need for a central guide to the finance statistics published by international organizations. The Task Force reviewed the suitability, for this purpose, of the Directory of International Statistics, last published in 1982. It has been agreed that, in the event that the Directory is updated, there may be a case for reviewing the classification of finance statistics as a guide to the coverage of statistical publications, along the lines used by the Task Force for the purpose of identifying gaps and overlaps. However, there is no support for the publication of a separate guide to finance statistics or for a review of documentation standards concerning the finance statistics published by international organizations. The Task Force has concluded that the questions raised concerning the need for documentation standards are of a general nature and are not confined solely to finance statistics; they should therefore be raised with the ACC Subcommittee on Statistical Activities. In addition, the integration of data collected by the non-statistical units of some international organizations across a range of statistical subjects raises questions about documentation that need to be actively pursued by those organizations.

D. Technical assistance

11. The Task Force notes that efforts to coordinate technical assistance in finance statistics have been confined to the programmes of international organizations being conducted in the economies in transition. It has concluded that there is no need for equivalent coordination tools for other regions (at least not in the area of finance statistics). In particular, the UNDP technical assistance programme is currently under review and the regional commissions should be encouraged to undertake a more active role in the multilateral coordination of technical assistance in statistics across all subjects.

E. Conclusions

12. The Task Force has concluded that its review of the principal issues identified in its terms of reference have been largely dealt with. As a result, no further meetings have been scheduled to date, although the Task Force is ready to reconvene should new issues be presented for its consideration.

II. BALANCE-OF-PAYMENTS STATISTICS

13. The Task Force finds that, with respect to the collection, transformation and sharing of data by international organizations, there appear to be no major deficiencies in current arrangements other than the need for a clearer documentation of the differences between national presentations and IMF/Eurostat manuals.

14. None the less, some of the objectives of the Task Force are being addressed by the IMF Committee on Balance of Payments Statistics, which was established in 1992 with a membership of international and national statistical agencies to implement the recommendations contained in two IMF reports: "Report on the measurement of international capital flows" and "Report on the world current account discrepancy". The Committee was charged with investigating ways in which data collection could be better coordinated among countries with a view to facilitating the exchange of statistics. The Task Force reported to the Committee at its last meeting (Basel, Switzerland, November 1994).

15. In response, the Committee has noted that, although there has been considerable progress by international organizations in harmonizing concepts and classifications, there remains a need to improve the coordination of technical assistance and to develop regional data, especially with respect to the matching of creditor and debtor sources that is needed for the compilation of developed/developing country balance-of-payments statements. The Committee has noted that coordination needs to be improved among international organizations involved in developing balance-of-payments capital account stock data (partly as an aid to estimating detailed geographic flows) as well as detailed service statistics and other closely related areas of statistics, such as direct and portfolio investment statistics.

16. As to the electronic reporting of aggregate balance-of-payments statistics, the Task Force notes the recent Eurostat initiative of using EDIFACT as a medium for transmitting standardized messages, i.e., combinations of data and text. A key feature of that initiative has been Eurostat's authority to request member countries to report in that way and, given the fast turn-around time, the offer of resultant data in exchange. Consequently, the system now issues monthly balance-of-payments statements to European Union (EU) organizations and member countries as well as other bodies linked to the network. In view of that experience, the Task Force has reviewed whether it should assume a coordinating role in promoting the sharing of balance-of-payments data reported electronically. No decision has been made; it has been noted, however, that the IMF Balance of Payments Committee could take up the issue, as appropriate.

III. EXTERNAL DEBT STATISTICS

17. Over a period of years, BIS, IMF, OECD and the World Bank have worked together to develop consistent definitions and complementary methodologies for the preparation of comprehensive external debt data, subject to the constraints set by the nature of the information obtained from national sources (both debtor and creditor). Work is currently under way to review the relationship between external debt statistics and the balance of payments, including the international investment position as defined in the Balance of Payments Manual. In addition, efforts are being made to improve the comparability of data derived from creditor and debtor sources.

18. In this connection, the Task Force notes plans by the World Bank to review the scope of its Debtor Reporting System (DRS) to reflect the changing patterns of financing in developing countries, including the growth of private-sector financing and new financial instruments. The review is expected to make the World Bank external debt database more useful as a tool for assessing the creditworthiness of borrowers and is intended to meet the needs of a wider audience. To this end, the World Bank is currently preparing a questionnaire to formulate proposals that will be discussed with the international organizations involved and other interested parties. Eventually, an annotated outline of a revised DRS will be prepared for discussion with the Working Group of the OECD Development Assistance Committee (DAC) and with the International Working Group on External Debt Statistics to ensure coordination between creditor and debtor sources of information.

IV. NATIONAL MONEY AND BANKING STATISTICS

19. The Task Force notes that IMF plans to develop a new manual on monetary and financial statistics are following procedures similar to those adopted for the fifth edition of the Balance of Payments Manual. In both cases, an initial evaluation is made of how the needs of users in those areas, including users in international organizations and countries, are being met by the 1993 SNA; the scope for developing statistics in each sector that are as consistent as possible with the framework established in the 1993 SNA can then be explored. The procedure includes a series of visits by IMF staff to the main international organizations concerned and to official agencies in a number of selected industrial and developing countries, as well as the distribution of an annotated outline of the manual to all member countries for comment. After review within IMF, draft chapters in English, French, Spanish and Russian are distributed for comment by users and compilers, after which IMF convenes a meeting of experts representing all its members to review the completed drafts. To date, the remaining draft chapters are expected to be completed by July 1995 and an expert group meeting is provisionally scheduled for early 1996; publication is targeted for December 1996.

20. The Task Force notes that, in order to serve the needs of a wider audience and conform with current thinking in this area, the format of the manual on monetary and financial statics is much more flexible. For that purpose, a building block approach is being used that (a) is consistent with the 1993 SNA concerning the classification of instruments, sectors and accounting standards;

(b) is consistent with the Balance of Payments Manual concerning foreign-sector matters; (c) is consistent with government financial accounting; (d) is consistent with BIS standards on capital adequacy concerning the links between monetary and credit analysis; and (e) avoids prescribing the use of particular measures of monetary stock and associated statistics.

21. The Task Force agrees that a review of the data-reporting and sharing practices in national money and banking statistics may be arranged later in the light of evolving statistical standards in this area.

V. GOVERNMENT FINANCE STATISTICS

22. The Task Force notes that procedures similar to those described for the manual on monetary and financial statistics are being followed for revising the Manual on Government Finance Statistics. Among the specific issues prompting the review of methodology in this area are the evolution of accounting practices (in some cases towards accruals accounting) and the increased importance in fiscal analysis of such issues as arrears, in-kind transactions and quasi-fiscal operations of the financial system. The absence of consensus is underlined by the conflict that exists between the needs of fiscal analysis on the one hand, and the promotion of harmonization and closer links with the 1993 SNA on the other. Partly for those reasons, it is likely that the revised Manual will identify a common core with the 1993 SNA government accounts and will seek to identify alternative balances and classifications at a more detailed level. The revised Manual will also need to focus on methods of compilation, particularly in the context of avoiding duplication and prioritizing work plans in compiling both accounts based on the 1993 SNA and accounts based on the revised Manual. IMF having recently appointed a consultant, a questionnaire to obtain information about national accounting practices and data requirements will be sent to member countries in January 1995, to be followed by visits to international organizations and official statistical agencies through July 1995 and the preparation of an annotated outline of the revised Manual by December 1995. On that basis, a first complete draft could be ready in the first half of 1997 and an expert group meeting could take place in early 1998; publication is currently scheduled for the second half of 1998.

23. As to the European Union, the Task Force notes that the needs for government finance statistics are defined within the framework of the European System of Accounts (ESA) and the Union Treaty and its protocols; neither Eurostat nor EMI see the need for the development of separate methodologies on government accounts either to meet present needs or in the context of monetary union.

24. As to data reporting, the Task Force notes that there may be scope for a more harmonized reporting of data for government expenditures; the design of a matrix of reporting requirements would help in this respect.

VI. OTHER FINANCE STATISTICS

25. The Task Force notes that, since the 1993 SNA and the Balance of Payments Manual have both paid particular attention to recent developments in financial markets and instruments and to the integration of balance-sheet accounts into the national accounting framework, the scope of other finance statistics, as previously developed, may well be reduced as those two systems are implemented. At the same time, the scope of finance statistics in other areas may well be enhanced. The need for coordination in this area is reflected in the high levels of the continuing activity of international organizations in monitoring developments in financial markets.

26. The Task Force recommends that further work be done on financial derivatives in order to identify a framework for categorizing transactions underlying new instruments and their significance for the identification of the financial asset boundary and off-balance sheet arrangements, all within the framework of the financial accounts of the 1993 SNA. The IMF Committee on Balance of Payments Statistics is considering the implications of those developments in international markets, while BIS is considering their implications for risk assessment. The need to coordinate the work of international organizations in this area has been noted; to that end, it is agreed that international organizations should be kept informed of initiatives and progress made in collecting statistics on financial derivatives.

27. On the question of data reporting, the Task Force notes that there may be scope for a more harmonized reporting of data on interest rates; the design of a matrix of reporting requirements might help in this respect.

VII. COORDINATION OF TECHNICAL ASSISTANCE

28. The Task Force notes that efforts to coordinate technical assistance in finance statistics have been confined to the programmes of international organizations with the economies in transition. It has concluded that although there is no need for equivalent coordination tools for other regions (at least not in the area of finance statistics), none of the other task forces have addressed the question and there may well be a need for coordination in other areas. In particular, the UNDP technical assistance programme is currently under review and the regional commissions should be encouraged to undertake a more active role in the multilateral coordination of technical assistance in statistics across all subjects.

Notes

a/ Official Records of the Economic and Social Council, 1993, Supplement No. 6 (E/1993/26), para. 27.